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OCT 26 2004

**Alain L Bashore**  
Examiner  
Art Unit 3624  
USPTO

**FAX: 703-872-9326**

**RE: RESPONSE FOR ACTION LETTER MAILED 28 JULY 2004  
FOR APPLICATION 09/923311**

Dear Sir,

**RE : : RESENDING DO NOT DUPLICATE**

While faxing this document earlier on 26 Oct 2004, transmission was disrupted at least twice so we are resending this again in its entirety.

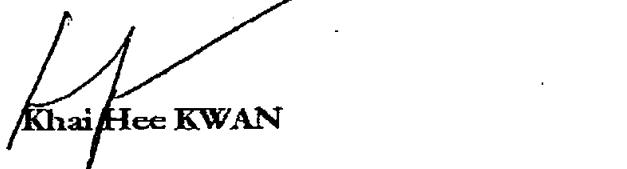
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Total pages of this facsimile including this cover page is

28

Thank you

Yours truly,



Khai Hee KWAN

Dated 27 Oct 2004

I hereby certify that I fax this document on the 27 Oct 2004

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**FAX: 703-872-9326**

**RE: RESPONSE FOR ACTION LETTER MAILED 28 JULY 2004  
FOR APPLICATION 09/923311**

**Dear Sir,**

I refer to my earlier response dated 24 Oct 2004 to the above action letter. After faxing the said, I realized that the current USPTO's new amendment practice requires the inclusion of the word "CANCELLED" for claims that are cancelled instead of merely strike-out.

I have therefore amended the claims to show those which are cancelled to include the word "CANCELLED" as detailed in Appendix 1. I also included a new amendment in Claim 1 previously not found in our earlier response dated 24 Oct 2004.

**To avoid confusion, THIS response in its entirety shall supersede the earlier response dated 24 Oct 2004.**

	Pages
Response Rebuttal	16
Appendix 1 – Recital of the previously and currently amended claims	9
Total pages of this facsimile including this cover page is	27

Thank you

Yours truly,

  
Khai Hee KWAN

Dated 26 Oct 2004

I hereby certify that I fax this document on the 26 Oct 2004

**Application number:** 09/923,311                    **Art Unit:** 3624  
**Applicant:** Khai Hee Kwan                    **Examiner:** Alain L Bashore.  
**Title:** A computer network method for conducting payment over a  
network by debiting and crediting utilities accounts

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

TO: Commissioner for Patents  
Virginia 22313-1450

Sir:

In reply to Office Action mailed on July 28, 2004, we respectfully ask the examiner to consider our response below.

We respectfully traverse the examiner's assertion that claims 1-16 are obvious under 103(a) in view of Morrill, Jr (US 5991749 filed 9 Sept 1997) and in view of Mousseau et al ( US Application 2002/0120696 A1 filed 6 April 2001) and that claim 17 is obvious in view of the above and further Resnick (US 6,185,545 B1 filed 17 Nov 1999)

Our main rebuttal is that none of the prior arts suggest the application of utilities accounts for payment transfer and Morrill never suggested using his mobile phone connected via the Internet to the Telco for initiating a payment. Even if WAP is available in the mobile phone, its first link is to the Telco to enable it to reach the Internet. The question is why would Morrill suggest reaching the Internet as per our claim when its mobile service provider's link is already linked to the mobile phone device ? In our claimed invention, our payment initialization is via the Internet and NOT via a wireless network such as mobile phone network because our utilities accounts are not mobile phones accounts and hence without the advantage of the direct link to mobile provider system. For example a network of pipes delivering gas by itself could not be connected to a mobile device.

Our claimed invention uses utility accounts as the means for payment over the net and optionally the mobile device to confirm the payment and to receive receipt. Even if utilities accounts could inherent be found in mobile phone account (we submit that this is not and nothing has been stated by the examiner to reveal this), Morrill's invention still

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would not obvious for initiating a payment transaction over the internet and/or using a mobile device to confirm and verifying said transaction between two utilities accounts. The claim must be viewed as a whole. Gen. Foods Corp. v. Studiengesellschaft Kohl mbH, 972 F.2d 1272, 1274, 23 USPQ2d 1839, 1840 (Fed. Cir. 1992) ("each claim is an entity that must be considered as a whole"). Morrill's invention is for the use of a mobile device for initiating payment instructions to a mobile service provider between mobile accounts holders over a telecommunication network. The most persuasive evidence could be found at Col 6 lines 39 to 45 where Morrill describes linking computers and herein restated " The computers must be connected to a phone line or must be equipped with an RF antenna and receiver, so that they can receive information from the mobile phone service provider's CPU either by land line connection or wireless transmission. " Also see Col 7 lines 33-34. It is clear this does not refer to the Internet as the first point to reach a service provider's server. We have optionally claimed using 2 networks such as the Internet (first network) to initiate the fund transfer and the mobile device for confirmation (second network).

What is the motivation to modify Morrill's invention (a mobile electronic wallet), in particular the mobile device to merely verifying/confirming a transaction received from an utility server when Morrill taught of using said device for initiating payment instructions to a mobile service provider ? This would be a limitation instead of an advantage. Is there any specific advantage or defects in using mobile phone accounts such that one skilled in the art must necessarily use utilities accounts ? The examiner provided no reasons for the above and therefore must necessarily assume the elements in Morrill are inherent in our claimed invention hence avoided examining the Graham Factors for obviousness determination based on the indifference.

Dependent Claims includes all of the limitations of the independent claim 1. Neither of these references includes any suggestion to combine its features with the features of the

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other reference. According, applicant respectfully submits that the claims as previously presented and currently amended are also patentable over Morrill, in view of Mousseau and Resnick. We have amended our claims because we found that we have previously been too narrow in our scope and in no way an admission of the examiner's case.

Summary.

We reiterated the definition of utilities in this application to gas, electricity, water and communication data accounts. We have reproduced our definition at page 2 of our application : "Utility is defined such as gas, water, electricity or communication data that are essential to most modern home or premises." Also at page 4 under Summary "And in both cases they are merely book entries into the accounts with the utility providers such as gas, water, communication or electricity"

Morrill teaches mobile telephony system to function as an electronic wallet etc to enable payment facilitation using telco accounts ( Col 4 ln 1-39) but NOT utilities accounts. There is no explanation as to how a mobile phone account could inherently be a gas, electricity, water or data communication accounts nor is it known in the art that there are significant characteristics or interconnectivity in the technology or process amongst them. For example, it is doubtful whether gas can travel via an electricity line. Further, mobile phone account uses air-time as a measurement (10 mins) while in electricity account, it uses kWh as unit of measurement or in Data Account (Mega-Bytes downloaded). This means an article for sale or amount to be transferred could be quoted to measure say 300 MB or 400 kWh (as per Utility Units in our specification and claim 2). Morrill made no teaching that his invention could use air-time as a proxy for monetary unit nor could 10 mins show 10 kWh to one ordinary skilled in the art. An inherent disclosure, to be invalidating as an "anticipation," is a disclosure that is necessarily contained in the prior

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art, and would be so recognized by a person of ordinary skill in that art. Continental Can Co. USA, Inc. v. Monsanto Co., 948 F.2d 1264, 1268-69, 20 USPQ2d 1746, 1749-50 (Fed. Cir. 1991). "Inherency" charges the inventor with knowledge that would be known to the art, although not described. Inherency is not a matter of hindsight based on the applicant's disclosure: the missing claimed elements must necessarily be present in the prior art but may be inherently disclosed by prior art if "the prior art necessarily functions in accordance with the limitations" ( King, 801 F.2d at 1326; see also Standard Havens Prods., Inc. v. Gencor Indus., Inc., 953 F.2d 1360, 1369 (Fed. Cir. 1991)) and be "practice without undue experimentation" (Advanced Display Sys., Inc. v. Kent State Univ., 212 F.3d 1272, 1282 (Fed. Cir. 2000)) by one skilled in the art.

We respectfully submit that the prior art would not necessarily work with an utility account given the incompatibility between the needs of a mobile phone account using air time as unit measurement for cost and one applying say kWh and even if this is possible ( not probable ), one skilled in the art would not be able to practice without undue experimentation.

Secondly, there is NO reason why Morill would modify his mobile device to connect to the Internet to reach its service provider for initiating a payment when it already has a direct connection to its service provider by wireless means . Morill only taught the sending of the receipt code generated from a completed purchase transaction by interfacing with a PC to another PC over the internet. ( Col 12 at line 3 to line 9 ). This is however not the same as suggesting there is motivation to connect to the mobile service provider over the Internet given the payment transaction is already completed.

To show obviousness under 103(a), the examiner is required to articulate a motivation for Morill to modify a mobile phone account to reach a gas account (for example) for

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payment or that a mobile phone account could inherently show a gas account as seen by one skilled in the art of payment.

The examiner did not articulate any motivation or even mentioned the difference between telco and other utilities accounts such as gas, electricity, water etc; which we submit could only suggest the examiner did not appreciate the differences... See Corning Glass Works v. Sumitomo Elec. U.S.A., Inc., 868 F.2d 1251, 1255-57, 9 USPQ2d 1962, 1965-66 (Fed. Cir. 1989) ("To read the claim in light of the specification indiscriminately to cover all types of optical fibers would be divorced from reality.").

Similarly, Mousseau's invention is not even in the field of payment but teaches pushing data from a mobile device. Therefore the question is where is the motivation found in either prior arts for them to be so combine ? In combining two prior arts or more, the motivation must be found to benefit both combined arts which in this case, a need for synchronization of wireless device for payment. There is nothing in Morrill to show a need for synchronizing data wherein the mobile device is for initiating/making payment. While it may be 'important' as per para 0007 of Mousseau according to the examiner ( at page 4 of Action Letter), neither Mousseau nor Morrill point out a need to combine synchronization with an initiating/payment wireless device. It is well known that Morrill's device is for initiating and executing a payment by giving wireless message instructions to a telco host where the latter in response issues a receipt upon completion of a payment instruction. So why is there a need for synchronization and even if there is a need what is being synchronized in Morrill and for what purpose ? In Morrill, it has been taught that when making a payment (face-to-face) the confirmation could be done by sending the receipt to the payee by communicating with his mobile device. (Col 3 line 15-20)

There must be a showing of some "teaching, suggestion, or reason" to combine the references. Gambio Lundia AB v. Baxter Healthcare Corp., 110 F.3d 1573, 1579, 42

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USPQ2d 1378, 1383 (Fed. Cir. 1997) (also noting that the "absence of such a suggestion to combine is dispositive in an obviousness determination"). Whether motivation to combine the references was shown we hold a question of fact. See *In re Dembicza*k, 175 F.3d 994, 1000, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999) ("[P]articular factual findings regarding the suggestion, teaching, or motivation to combine serve a number of important purposes . . .") (emphasis added); *Monarch Knitting*, 139 F.3d at 881-83, 886, 45 USPQ2d at 1982, 1985 (treating motivation to combine issue as part of the scope and content of the prior art and holding that genuine issues of fact existed as to whether one of ordinary skill in the art would have been motivated to combine the references in question). The examiner asserted that "Moussaeu et al teaches the importance of synchronization for wireless device communication (para 0007)" which is reproduced below:

"[0007] A general problem with these known synchronization systems is that the only time that the user data items are replicated between the host system and the mobile data communication device is when the user commands the mobile device to download or pull the user data from the host system. Five minutes later a new message could be sent to the user, but the user would not receive that message until the next time the user fetches the user data items. Thus, a user may fail to respond to an emergency update or message because the user only periodically synchronizes the system, such as once per day."

The question is whether Morrill's requires such a synchronization step and not whether it is important for wireless devices to have this step. As we said, Morrill's invention is for payment between telco accounts and the wireless devices are only tools for such purposes. The underlying fact is that there is no evidence to show that Morrill need to combine with a synchronization step and by stating 'importance' by itself could not be a motivation. *In re Chu*, 66 F.3d 292, 298, 36 USPQ2d 1089, 1094 (Fed. Cir. 1995) (stating that even when changes from the prior art are "minor" or "simple," an inquiry must be

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made as to whether ““the prior art provides any teaching or suggestion to one of ordinary skill in the art to make the changes”” (quoting Northern Telecom, Inc. v. Datapoint Corp., 908 F.2d 931, 935, 15 USPQ2d 1321, 1324 (Fed. Cir. 1990))). The examiner has therefore failed to inquire whether there is a need for downloadable step linked to a verification step in Morrill such that a motivation could be found to combine with Moussacu. If the nature of the problem is not found in Morrill then how could one skilled in the art be motivated even if Moussacu taught the said importance ? And the fact that it is ‘important’ is only conclusory given that Morrill has no teaching or need in the first place. Further, despite the suggestion of importance, neither of these references includes any suggestion to combine its features with the features of the other reference.

As for Resnick which is aligned to payment system utilizing intermediary stored value account as a way to receive payments for prepaid services, ie backwards in that payments are received rather than as credit card in extending the credit. The said system includes anonymity features etc. ( Resnick Col 1-2).

As mentioned none of these invention applies existing utilities accounts ( by creating subsidiary accounts) for the purpose of transacting payments. Even if Resnick’s uses an intermediary account such an account does not fairly show one created from the user’s utility main account. In fact Fig 1 of Resnick clearly shows the intermediary account is outside of the wireless carrier platform. In short, Resnick uses an intermediary such as a merchant’s POS to receive the money and later credit this money under segregated accounts operated by the user to pay vendors of their choice. However, a merchant’s account even though an aggregated one is NOT obvious to our invention of using the utilities sub-accounts.

Our detail rebuttals are submitted as follows. Our amendment is in accordance to Appendix 1 which we respectfully ask the examiner to incorporate the changes.

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Analysis of Examiner's assertion.

Claims 1-16

We respectfully traversed the examiner's rejection.

The examiner has grouped Claim 1-16. We object to this grouped rejection as it does not afford conclusive evidence to consider each of the elements in the dependent claims which may not be obvious without a motivation for a 103(a) rejection. In short, the examiner has failed to articulate a motivation to reveal each of the missing elements such as utilities account in Claim 1 including extending the utility accounts for sub-accounts, as per claim 2 ; utility units wherein the 'exchangeable' novelty is for payer to pay from gas account to electricity account of payee etc. "unless the prior art suggested the desirability of [such a] modification" or replacement. *In re Gordon*, 733 F.2d 900, 902, 221 U.S.P.Q. (BNA) 1125, 1127 (Fed. Cir. 1984).

Payment initialization through a telecommunication network and not Internet.

The examiner stated that Morrill teach a method using utility accounts including a wireless device at Col 1 lines 18-24. And as mentioned Morrill deals exclusively with telco accounts over a telco network and not utilities accounts as defined in our application. At Col 4 lines 16-38, Morrill described the cell phone being an electronic

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wallet and funds are transferred between mobile phone accounts of the parties or arrange with financial account or credit card or brokerage.

Failure to show inherency of mobile phone accounts.

However, there is no mention of utilities accounts such as gas, water, electricity or data communication accounts. Data accounts in general would be Internet accounts and not mobile phone accounts. In particular the Morrill's invention involves a method of using a mobile phone together with a mobile phone account and/or financially linked accounts for payment over a telco network. This is evidenced from Col 3 lines 25 to line 35. There is great emphasis on mobile phone account as can be seen in Col 4 line 41 to line 47 "The vendor must have either a mobile phone account or an arrangement with the mobile phone service..... The purchaser must have a mobile phone service agreement and in this case, have with him/her their cellular phone." Also see Col 11, line 44 to line 47 referring to mobile accounts and other financial accounts. However, nothing in all the prior arts show any reference to utilities accounts nor any teaching fairly show how these utilities accounts could be used for payment. Neither is there any evidence to show a mobile phone account must necessarily reveal utility accounts to one skilled in the art.

Missing central payment processor connected to the Internet.

Structurally, Morrill also failed to show having a central payment processor linked to the Internet. Morrill shows CPU in mobile service provider debiting and crediting accounts within its own network as its devices are linked directly. This inherently means Morrill did not teach intra-funding payment (ie between two different telcos). More importantly requires two parties to interact with each other for the fund transfer. ( Col 3 line 6-

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25)... In particular, is mentioned "The CPU debits and credits the appropriate accounts and creates an electronic record of the transfer." Our claimed invention has no requirement for two parties to interact for a user to user transfer. The user need only provide his account and the payee's account.

Confirmation and verification using a mobile device.

Our claimed invention while applying a mobile phone, this device is for confirmation and verification purposes rather than for initiating a transaction. In short, our claimed invention could even work without such a device as the whole transaction could be completed on line although perhaps with lesser security. See our specification at page 8/9 where we reproduced the relevant para below :

"Preferably, the method includes the step of initiating a purchase over the Internet by entering the account number with a specific utility provider as the identifying account to be debited. This step is similar to using credit card but instead of the credit card number, a sub account number is used instead. This is followed by an authorisation query where the user/purchaser need to response by entering his or her password that is provided on opening the utility purchasing sub account. This password can be keyed in from the buyer's terminal."

As we mentioned in page 6 of our specification (another preferred method), the mobile device in our claimed invention is to ensure identity could be confirmed (via a second network) when an Internet payment is made through the net (via a first network) in Fig A. This splitting of networks to check and confirm provides a second layer of security but as we mentioned, our mobile device could not be for initiating/making a payment as in Morrill (see Fig B) . The question is whether Morrill's invention could work without the mobile device because the difference here is that our claimed invention would still work

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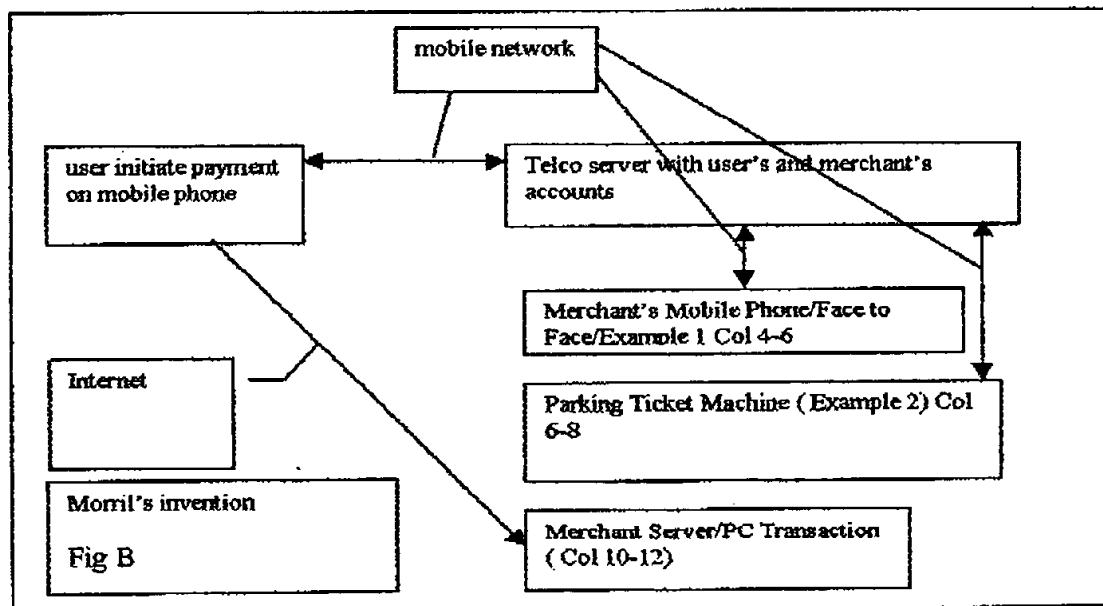
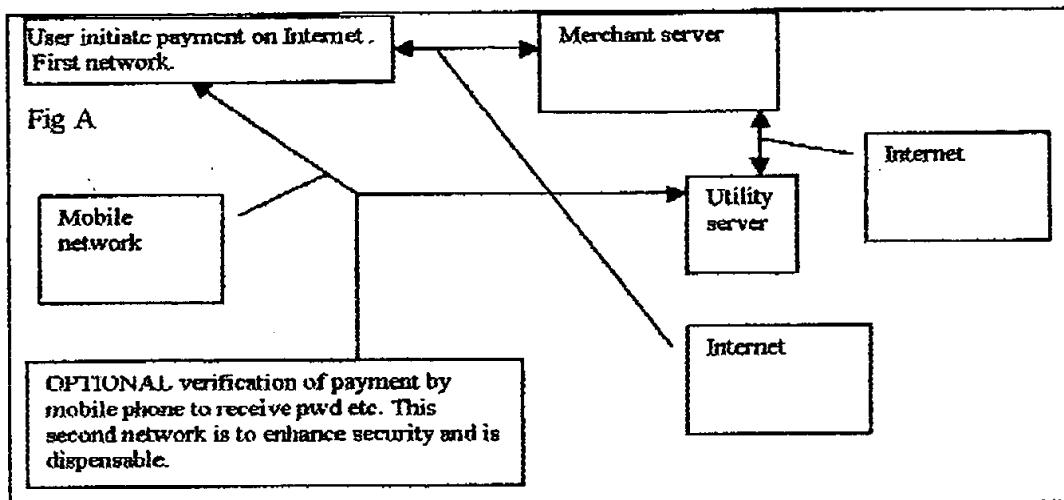
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without the said mobile device as it does not use any mobile accounts nor initiate a payment on the mobile device.



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No special function code at the outset to start the transaction?

Morrill has placed reliance on the use of "function" code recognizing the limitation of mobile telco system where codes representing commands such as \*\*\*#123P may have a special meaning as to merely numbers, as the latter will dial a call instead of diverting to make a payment. Our claimed invention has no such requirements as the transaction is completed over a computer with another computer (not mobile phone to a telco computer as Fig B above) over the Internet and where applicable we use the mobile phone only as a secondary source for verification ( Fig A). For example a transaction could be initiated over the Internet link to utility computer (first route) but as a safety precaution, the utility computer will response back to a mobile phone for confirmation (second route).

Obviously only the linked user's mobile phone number stored in the utility system will be called. In contrast, Morrill only teach of using the mobile phone to satisfy the evidentiary transaction by forwarding the confirmation code to transmit this to the vendor's computer over the Internet (Col 11 line 28-Col 12 line 27) and NOT using the mobile phone device to initiate a payment transaction over the Internet. ( See Fig B above at PC Transaction ) As mentioned there is no motivation to modify Morrill's device to detour into the Internet to reach its service mobile provider when its already directly linked to it by wireless means.

Further there must be some compelling reason/motivation for Morrill to turn his invention from initiating a transaction/payment into a limited confirmation/verification device to reach our claimed invention. The examiner had provided no reason for this.

Even if these utilities accounts could some how have corresponding elements to a mobile phone accounts ( which we submit is not ), Morrill still fail to fairly disclose how to

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practice with said accounts. ("a reference must be considered not only for what it expressly teaches, but also for what it fairly suggests," In re Bruckel, 592 F.2d 1175, 1179, 201 USPQ 67, 70 (CCPA 1979)). In this case, there is no evidence it shows how utilities billing could be used for payments between users nor the novelty of using utility units as for payment.

"Obvious to try" a modification or combination (looking for a needle in a haystack) is not prima facie obvious.

Another problem here is that there are also an infinite type of accounts such as cash account, asset account, bank account, clothing account, grocery account, inventory account, check account, fuel account, orange juice account, pork belly account (generally found in commodities market), expense account, depreciation account, entertainment account, tea money account etc. In short anything of value can be grouped under an account for the purpose of accounting for the usage but could any of them also used for making payment? Therefore, given the nearly infinite number of possibilities that could be suggested with hindsight, and the failure of the cited prior art to suggest any of them including our utilities account as claimed, we submit the claimed accounts would not have been obvious. See W.L. Gore & Assocs., Inc. v. Garlock, Inc., 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed.Cir.1983) ("To imbue one of ordinary skill in the art with knowledge of the invention in suit, when no prior art reference or references of record convey or suggest that knowledge, is to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher."). Skill in the art does not act as a bridge over gaps in substantive presentation of an obviousness case, but instead supplies the primary guarantee of objectivity in the process. See Ryko Mfg. Co. v. Nu-Star, Inc., 950 F.2d 714, 718, 21 USPQ2d 1053, 1057 (Fed.Cir.1991).

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**Novelty of Utility Units**

We further describe electronic methods to transfer funds or utility units from one type of utility account to another, say gas to electricity. Morrill taught mobile phone accounts only presumably with monetary amount only. The examiner placed no evidence to show said type of accounts in our claimed invention could inherently be found in reading mobile phone account. Even if these utilities accounts are by themselves well known, it is not well known to do so for payment transactions via a computer network as in the claimed invention.

Even with combination with Moussaoui, there is nothing in either cited prior arts to show any suggestion to combine its features with the features of the other reference.

Therefore, we respectfully submit that the examiner had not shown *prima facie* the elements of "utilities" accounts are taught in Morrill in view of the claims 1-16 as a whole including why would Morrill reduce his mobile device to merely one of confirming a transaction or why is it necessary to 'detour' to the Internet in order to reach the service provider as per our claimed invention. We further ask the examiner to withdraw his rejections or reconsider our amendments incorporating our rebuttal above.

**Referring to claim 17**

We respectfully traversed the examiner's rejection.

Claim 17 as mentioned is dependent on claim 1 and hence includes our rebuttal as above. The issue here is that the examiner failed to show any motivation found in all 3 prior arts

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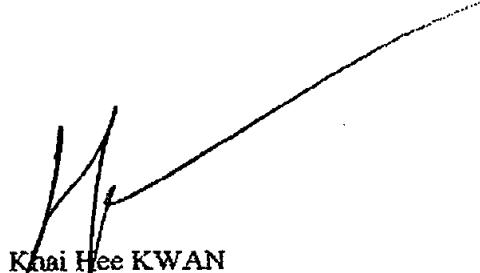
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to show the benefits of combining each other features to reveal our claimed invention. While IVRM is desirable in Resnick there is nothing to show a need in Morill. In re Werner Kotzab, 217 F.3d 1365, 1371, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) ("[A] rejection cannot be predicated on the mere identification . . . of individual components of claimed limitations. Rather, particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed."). In this instance the examiner has failed to show the motivation as there is no evidence in Morill to target disabled users nor could that be the main reason why IVR is installed in other devices such as in Resnick. Clearly IVR is installed for the purpose of facilitating any user in the payment process and not because of any disability. In Morill's teaching much reliance is placed on the pressing of buttons on the mobile phone but that does not mean it's a disadvantage to one without sight or hearing. (mobile phones for blind has unique buttons etched with Braille or with a large screen capable of interactive words response for those who are deaf). The only issue is when one is both deaf and blind but for such disabilities even IVR could not be of any assistance as at the very minimum by its nature being voice, IVR is accessible by those who are not hearing impaired. Therefore, if Morill had been targeting the disable as suggested then IVR may not be a good solution. Further as mentioned, there is nothing in all three prior arts to combine each other features and the reason to satisfy disable users (as proposed by examiner) was not found in any of the cited arts. Accordingly we respectfully submits that claim 17 is patentable over the said 3 prior arts.

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I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of any application, any patent issuing thereon, or any patent to which this verified statement is directed.

  
Khai Hee KWAN

315 Avoca St, Randwick, NSW 2031, Australia.

Date: Oct 26, 2004

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### **Appendix 1**

#### **MARKED VERSION**

Without conceding the validity of the examiner's arguments and to expedite prosecution of the application, the claims are hereby amended as below and we respectfully seek the examiner's permission to add the following amendments.

1. (Currently Amended) A computer network method for paying for goods or services over the network using utility accounts with at least one utility service provider, a client terminal, a merchant server and a wireless communication device such as a mobile phone, conducting fund transfer over at least one network by crediting and debiting utility accounts comprising steps for:

providing at least a centralized payment processor linked to the network;

extending at least one the utility service provider's main processor for establishing sub accounts for both payer and/or payee on the provider's main processor having a corresponding account identifiers to their main utility accounts, such as their customer number where such sub accounts include personal identification such as a password or a voice pattern of the payer and/or payee in order to gain access;

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conducting a payment process initiated by the payer through the payee's point of sale such as a merchant server by validating the payer's mobile phone number or account identifier and the payee's account identifier;

receiving a request for a payment amount from an identifiable payer for an identifiable payee wherein said request is not from a mobile phone;

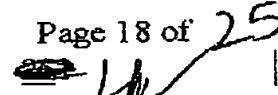
confirming said request and verifying payer's sub account identifier, authorization data and payee's sub account identifier linked to at least one utility account;

if approved, crediting payee's utility account and debiting payer's utility account respectively with the said approved payment amount; and

wherein utility account is not a mobile phone account.

in the payment processor, upon receiving the account identifier of both payer and payee, responding with confirming the accounts with the respective utility service provider's main processor over the network;

in the payment processor, upon receiving a positive authentication response from the said

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~~utility service provider of the payer and payee, responding with the step of requesting for a password where the payer is prompted to key in the password using the keypad at the terminal or saying the password to the microphone so as to authenticate the payer's identity, authorisation and associating the accounts linkage for both payer and payee to the payment transaction;~~

~~in the payment processor, upon receiving the password or voice pattern from the payer, this is authenticated with the stored password or voice pattern at the payer's utility service provider in order to gain access to the payer's sub account over the network;~~

~~in the payer utility service provider's processor, upon authentication of the password or voice pattern will response as authenticated to the payment processor over the network;~~

~~if both authenticating steps are validated, where the payer's account is a prepaid account, the step includes a further step of verifying the availability of funds to effect the purchase and on confirmation from the payer's utility provider, the utility service provider will debit an amount of money equal to the payer's payment amount, subject to adjustment as instructed by payment processor over the network;~~

~~if both authenticating steps are validated, the payer's utility service provider will record a debit entry with an amount of money equal to the payer's payment amount in the~~

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~~monthly utility bill, subject to adjustment where the payer's account is an non-prepaid utility account as instructed by the payment processor over the network;~~

~~if both authenticating and debiting of the payer's account steps are validated, the payment processor will sent an approval code to the payee or merchant server and instruct the merchant's utility service provider where the merchant's sub account is held to record a credit entry with an amount of money equal to the payer's payment amount on the merchant's monthly utility bill over the network, subject to adjustment where such credit can be cashed out only when there is a net positive cash from the total bill on settlement;~~

~~at the payee or merchant's server, upon receiving this approval code, requested goods or services will be deemed sold to the payer and will be released according to the terms of sale over the network;~~

~~at the completion of payment process, both payer and payee or merchant will receive an encrypted receipt detailing the purchase where the payer will receive such receipt as a short text message into the mobile phone's memory storage or as in the form of an email and the merchant's server upon receiving this receipt message over the network will stored this into its database;~~

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~~verification of purchase includes the step of downloading the said short text message from the payer's mobile phone to the merchant's server using a wireless coupling device and the encrypted message is matched against the copy retrieved from the merchant's database;~~

~~and the integrity of the receipt includes the step of uploading the encrypted receipt text message from the payer's mobile phone using the reply function or reply to the email message to the payment processor server over the network for decryption upon which the details of the transaction will be forwarded to the merchant originating the transaction.~~

2. (Currently Amended) A method according to claim 1 wherein the payment amount can be in the form of monetary units or utility units, ~~and exchangeable according to a preset formula.~~

3. (Currently Amended) A method according to claim 1 wherein the payment from the payer is made as a direct debit transaction in the case of a prepaid utility account, said utility account includes netting amount received against actual utility charges.

4. (Currently Amended) A method according to claim 1 wherein utility account is prepaid or postpaid, the payment is made from the payer as a debit book entry transaction in the

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~~case of a non-prepaid utility account where the payment amount is included in the billing statement where the total bill includes regular utility charges.~~

5. (Currently Amended) A method according to claim 1 wherein ~~confirming said request or verification is over a second network; the payment is made to the merchant or payee as a credit book entry in the case of non-prepaid utility account and is included in the billing statement where the total may be netted off with regular utility charges.~~

6. (Previously presented) A method according to claim 1 wherein the payment transaction is initiated at a point of sale by payer by connecting to the internet using internet protocol or wireless application protocol.

7. (cancelled)

8. (cancelled)

9. (cancelled)

10. (cancelled)

11. (cancelled)

12. (cancelled)

13. (cancelled)

14. (cancelled)

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15. (cancelled)

16. (Previously presented) A method according to claim 1 including, in the payment processor, maintaining a database of payers' utility accounts and a list of utility accounts for participating payees with links to each transaction, an unique identifier for the purposes of reconciliation and profiling of users.

17. (cancelled)

18. ( NEW) A payment system using utility accounts for fund transfer implementing the method of claim 1.

19. ( NEW) A payment system using utility accounts for fund transfer implementing the method of claim 2.

20. ( NEW) A payment system using utility accounts for fund transfer implementing the method of claim 3.

21. ( NEW) A payment system using utility accounts for fund transfer implementing the method of claim 4.

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22. ( NEW) A payment system using utility accounts for fund transfer implementing the method of claim 5.

23. ( NEW) A payment system using utility accounts for fund transfer implementing the method of claim 6.

24. (NEW) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 1.

25. (NEW) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 2.

26. (NEW) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 3.

27. (NEW) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 4.

28. (NEW) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 5.

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29. (NEW) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 6.

30. (NEW) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 16.

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